

Second Quarter 2022

Labour Market Advance Release



MINISTRY OF
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Manpower Research
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LABOUR MARKET ADVANCE RELEASE SECOND QUARTER 2022

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To provide timely and reliable national statistical information on the labour market to facilitate informed decision-making within the government and community-at-large

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Statistics compiled and disseminated by the MRSD adhere to international standards on official statistics set by the International Labour Organisation and International Monetary Fund.

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Notations

- : nil or negligible
- P : Preliminary
- Q : Quarter
- M : March
- J : June
- S : September
- D : December

Abbreviations

- MDW : Migrant Domestic Workers
- MOM : Ministry of Manpower
- SSIC : Singapore Standard Industrial Classification
- excl : Excluding

Highlights

Advance estimates indicate continued recovery of the labour market in 2Q 2022:

- Total employment increased further, and more robustly than the previous quarter.
- Residents continued to secure jobs, especially in growth sectors such as *Information & Communications, Professional Services, and Financial Services*.
- Non-resident employment saw substantial growth, mainly in *Construction and Manufacturing*, following the significant relaxation of border restrictions from April this year. More non-residents found employment in 2Q 2022, as compared to the previous quarter.
- Unemployment rates held steady at pre-COVID levels.
- Retrenchments declined further and were mainly attributed to reorganisation / restructuring.

Going forward, we expect non-resident employment to continue to make up a higher proportion of total employment growth as it catches up to its pre-COVID level. Resident employment, having surpassed pre-COVID levels by around 4% since December 2021, could see relatively lower growth as the readily available resident labour supply shrinks with the improving unemployment situation.

The *Labour Market Report 2Q 2022*, to be released in mid-September 2022, will provide more details, such as resident and non-resident employment, sectoral breakdowns, number of job vacancies, labour turnover, and re-entry rates among retrenched residents.

For data requests and queries pertaining to our report, reach out to us at mom_rsd@mom.gov.sg.

Overview

Advance estimates on employment, unemployment, and retrenchments, showed that the labour market continued to improve at a steady pace in 2Q 2022. Total employment rose, with more residents finding employment, and non-resident employment rebounding strongly following the significant relaxation of border restrictions from April 2022. Unemployment rates remained at pre-COVID levels, and the number of retrenchments also stayed low.

Employment^{P,1,2}

Total employment expanded by 64,400 (or 1.9%) in 2Q 2022, at a faster pace compared to 1Q 2022 (42,000; 1.2%). Resident employment continued to increase at a steady pace, while non-resident employment increased more robustly, as compared to the previous quarter.³

In 2Q 2022, resident employment increases were concentrated in growth sectors such as *Information & Communications*, *Professional Services*, and *Financial Services*, suggesting that job growth among residents has thus far been for higher-skilled jobs.

Similar to the past quarter, a larger proportion of the total employment increase was attributed to non-residents, mainly in *Construction* and *Manufacturing* – sectors which have a lower share of residents. With the significant relaxation of border controls since April this year, employers in such sectors have been hiring to backfill positions and meet rising demand.

In the months ahead, we expect non-resident employment to continue growing at a robust pace as it catches up to its pre-COVID level. On the other hand, resident employment, having surpassed pre-COVID levels by around 4% since December 2021, could see relatively lower growth as the readily available resident labour supply shrinks with the improving unemployment situation.⁴

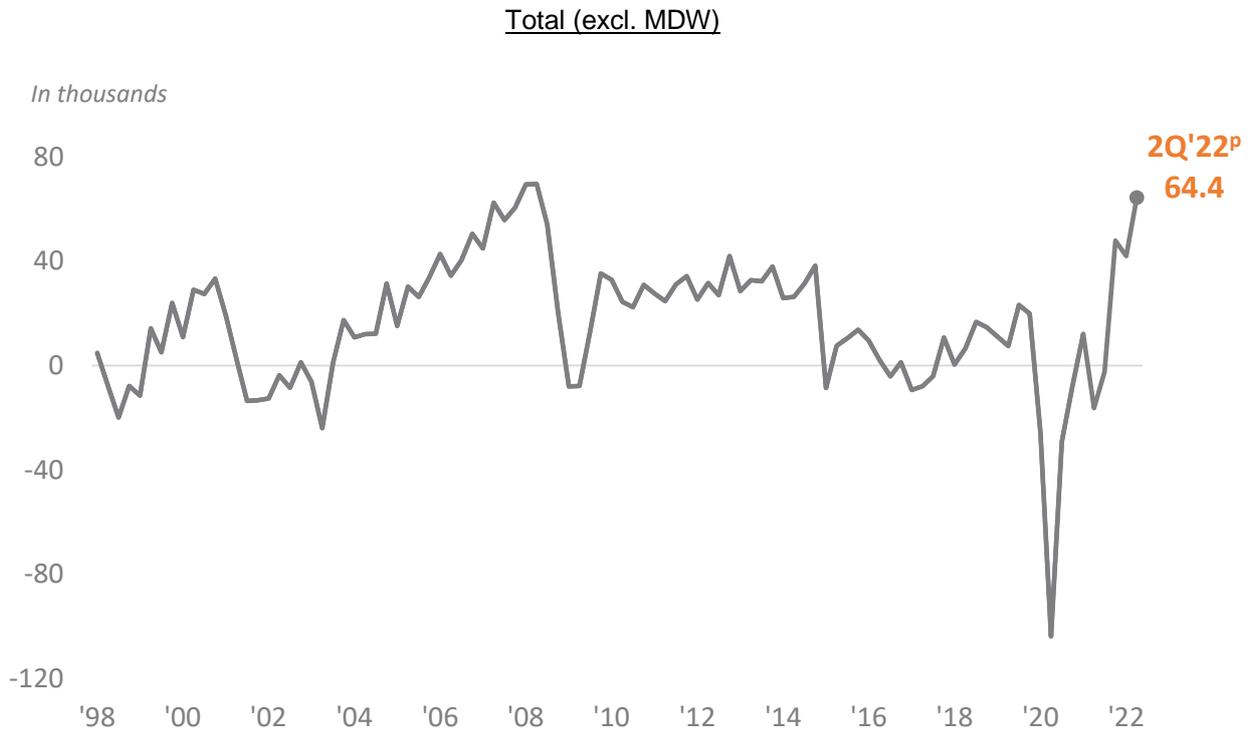
¹ Employment figures cited in this report exclude Migrant Domestic Workers (MDWs).

² Based on preliminary estimates, 469,900 persons were employed in *Manufacturing*, 454,400 in *Construction*, and 2,811,700 (2,555,400 excl. MDW) in *Services* in June 2022. Employment totalled 3,759,900 (3,503,600 excl. MDW) in June 2022 (total includes other sectors like agriculture, fishing etc.).

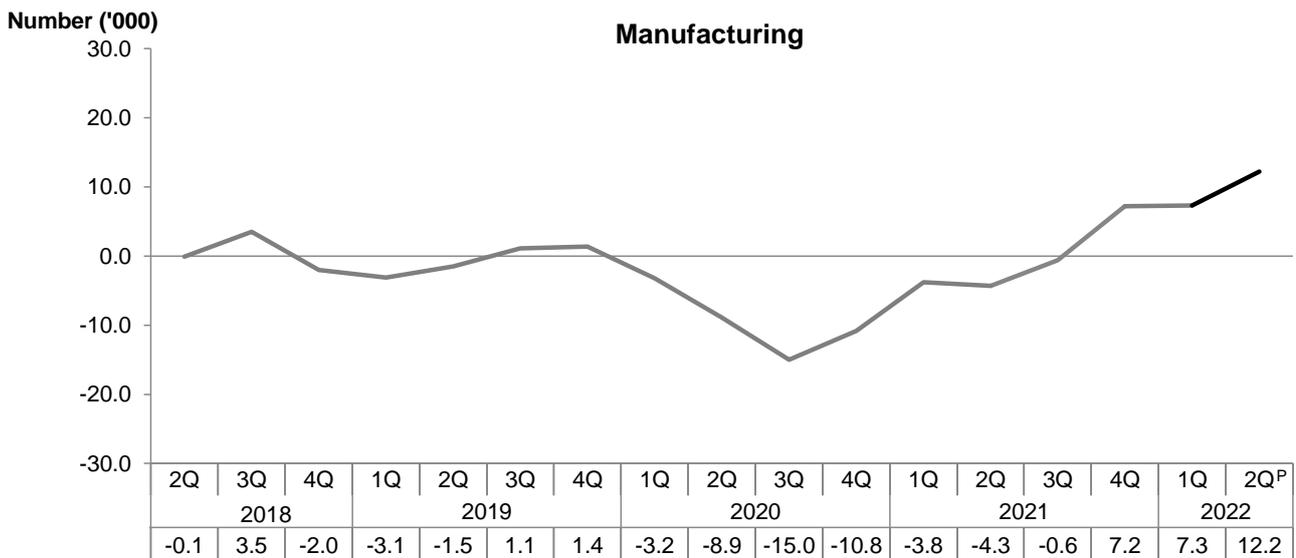
³ As per the Department's usual practice, resident and non-resident quarterly employment change figures will not be released for the Labour Market Advance Release. These figures will be published in the Labour Market Report 2Q 2022, to be released in mid-September 2022.

⁴ Based on latest estimates, non-resident employment remains below its pre-pandemic level in December 2019 by about 10%, while resident employment is expected to be about 4% above its pre-pandemic level. Final figures will be published in the Labour Market Report 2Q 2022.

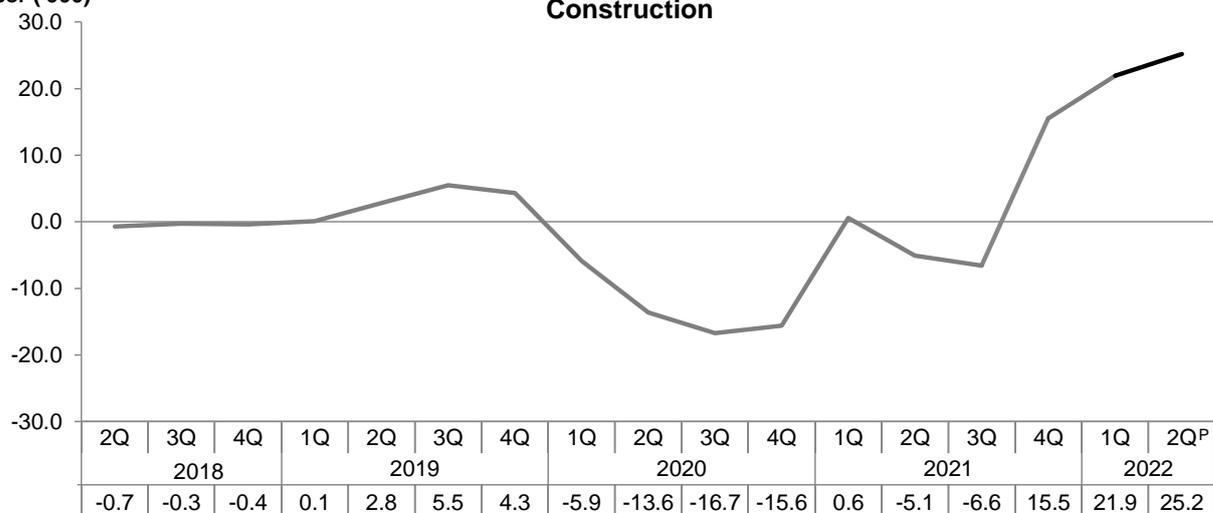
Chart 1 Quarterly Employment Change By Sector



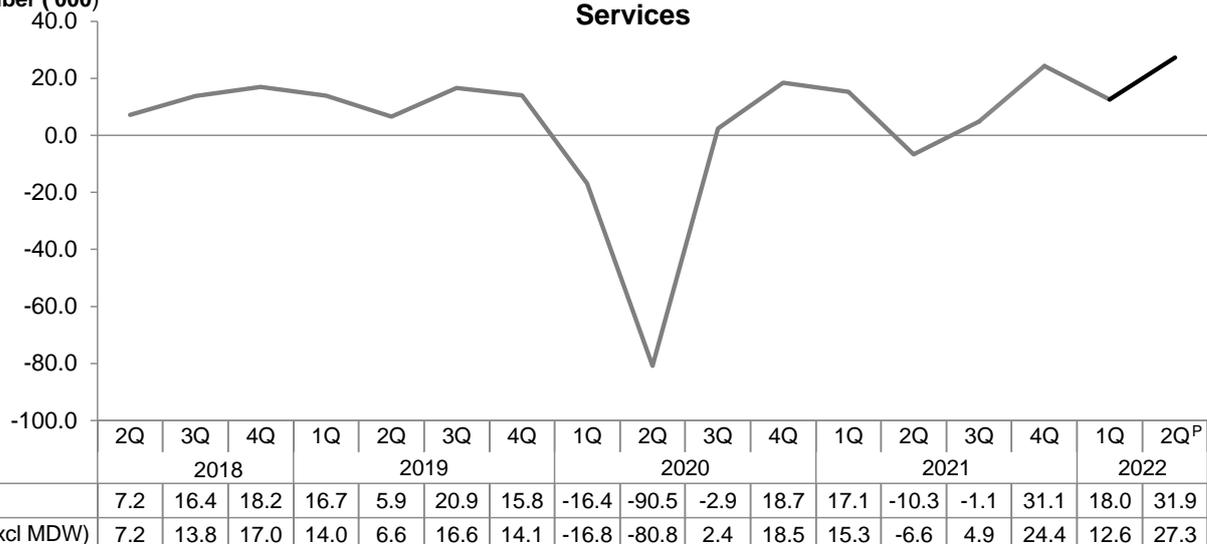
By Sector



Number ('000)

Construction


Number ('000)

Services

 Source: Administrative Records and Labour Force Survey,
 Manpower Research & Statistics Department, MOM

P: Preliminary

Notes:

- (1) Data are primarily from administrative records, with the self-employed component estimated from the Labour Force Survey.
- (2) Data for the three major sectors do not add up to the total as the latter includes Agriculture, Fishing, Quarrying, Utilities and Sewerage & Waste Management.
- (3) The industries are classified based on SSIC 2015.
- (4) Employment change refers to the difference between employment level at the end of the reference period and that of the end of the preceding period.
- (5) Data for 1Q 2022 are revised at the industry level to reflect updates in industry classification of firms.

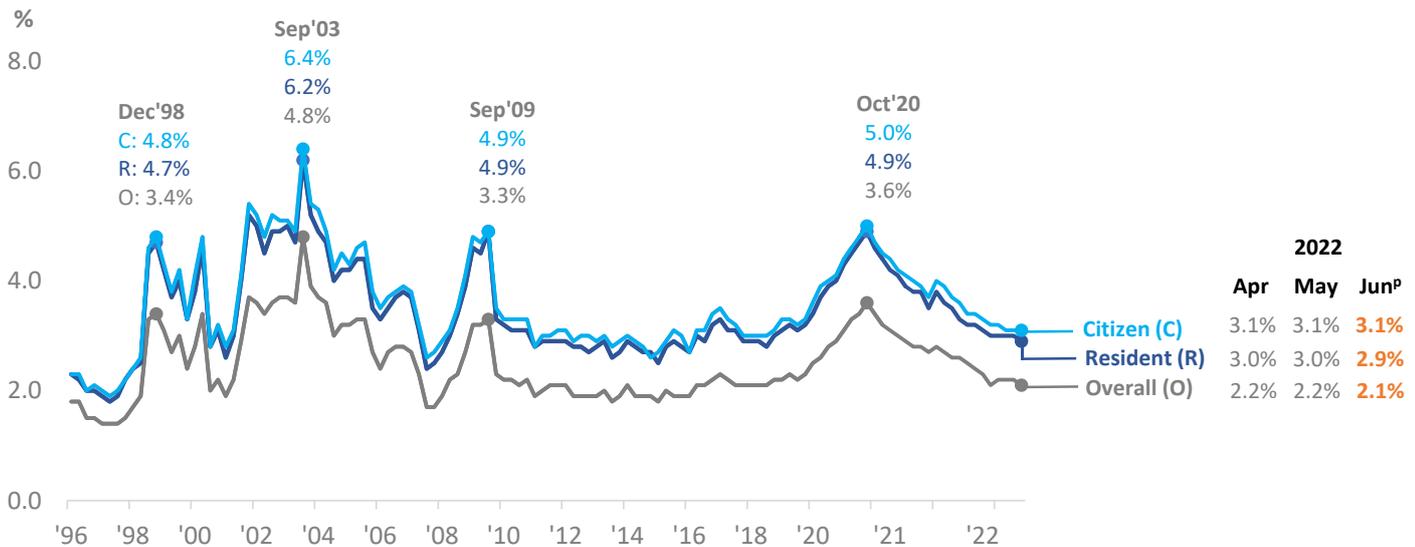
Unemployment^P

Unemployment rates have remained largely unchanged after reaching pre-COVID levels⁵ in February 2022. In June, unemployment rates were 2.1% overall, 2.9% for residents, and 3.1% for citizens.

Over the quarter, the number of unemployed residents⁶ fell from 73,900 in March 2022 to 71,100 in June.

Unemployment rates had trended down since peaking in October 2020. We expect the rates to stay low, amidst a tight labour market. However, risks remain in the global economy (such as further escalation of the Russia-Ukraine conflict, global supply chain disruptions), which could dampen business sentiments and consequently demand for manpower.

Chart 2 Unemployment Rates (Seasonally Adjusted)



Source: Labour Force Survey, Manpower Research & Statistics Department, MOM

⁵ In the pre-COVID quarters of 2018 / 2019, the average unemployment rates were 2.2% overall, 3.0% for residents, and 3.2% for citizens.

⁶ "Residents" refers to Singapore Citizens and Permanent Residents.

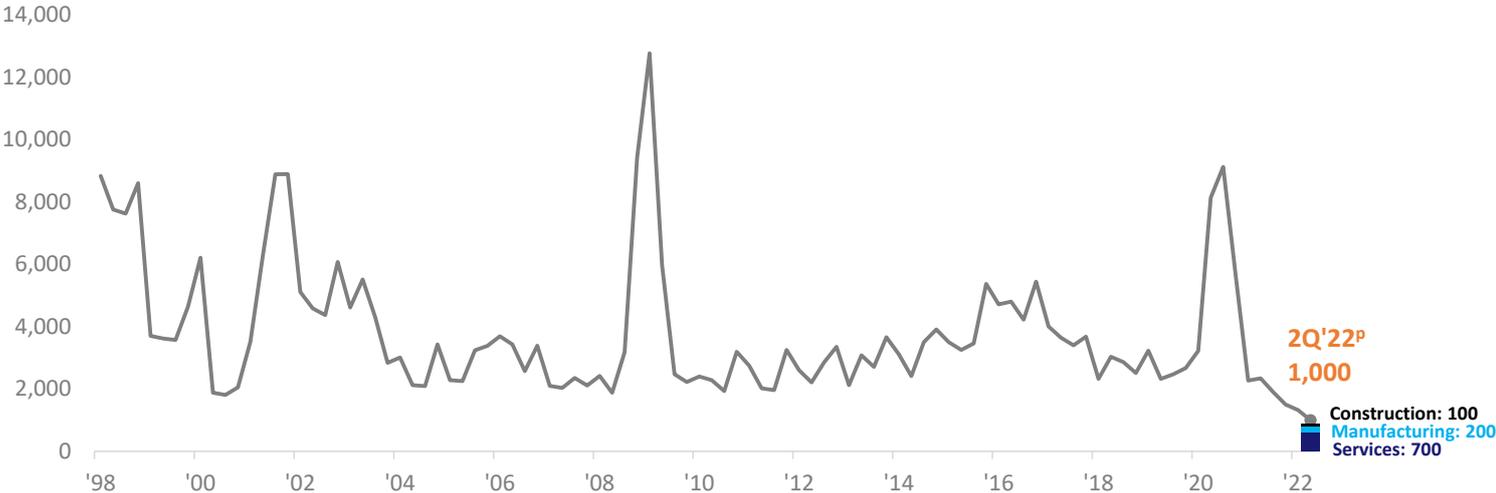
Retrenchments^P

Based on latest survey returns to date, in 2Q 2022, the number of retrenchments is expected to decline further to 1,000 (or 0.5 retrenched per 1,000 employees).

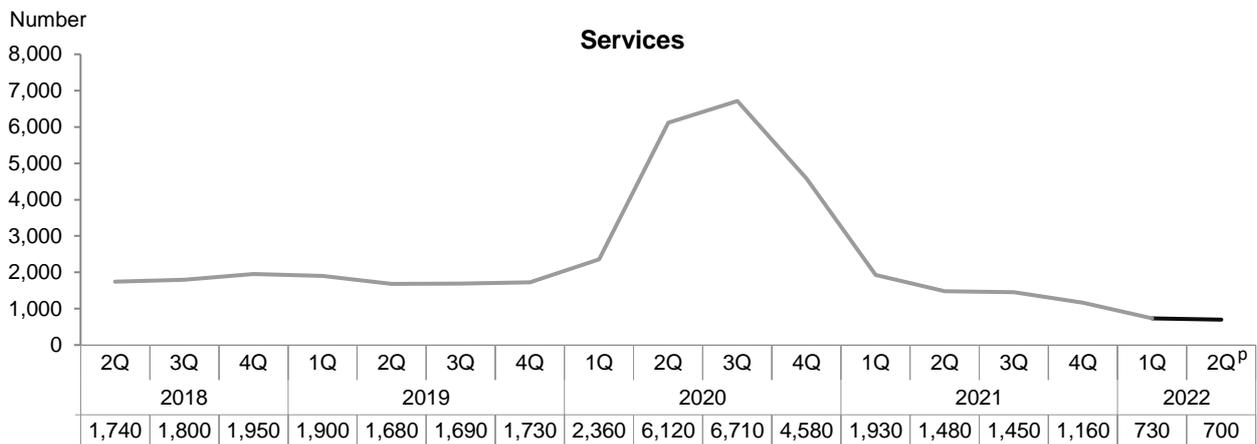
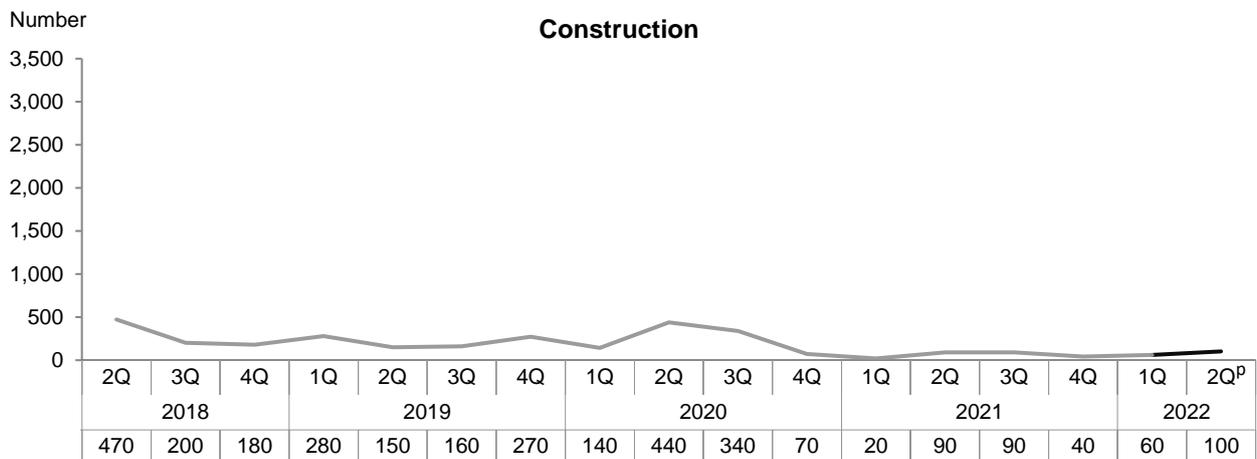
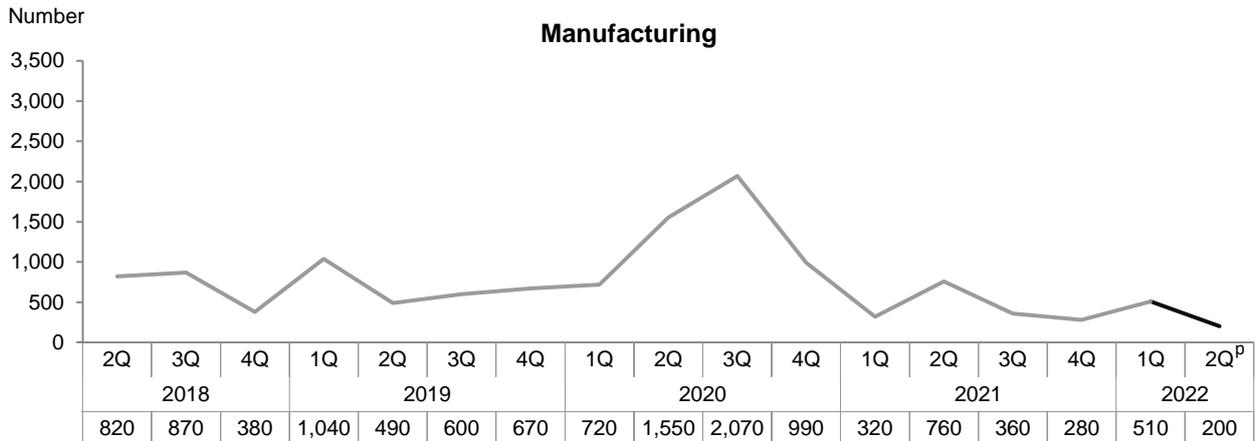
Over the quarter, retrenchments mainly declined in the *Manufacturing* sector. As with recent quarters, business reorganisation / restructuring remained the top reason for layoffs.

Chart 3 Quarterly Retrenchments

Overall



By Sector



Source: Labour Market Survey, Manpower Research & Statistics Department, MOM

^P: Preliminary

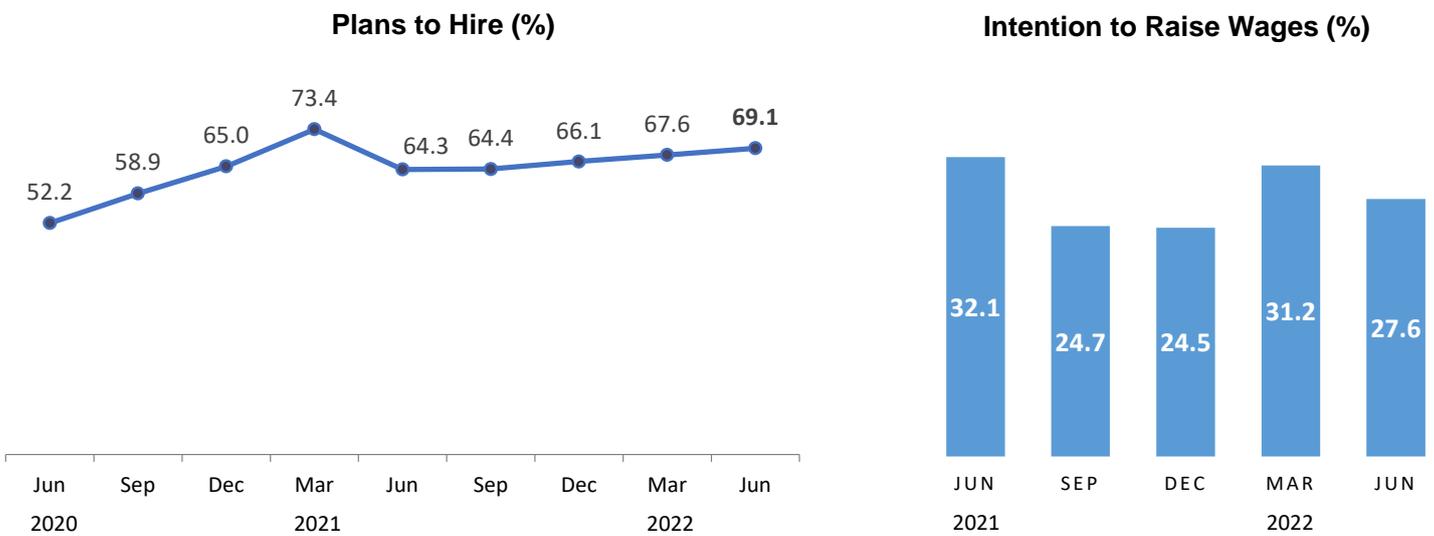
Notes:

- (1) Data pertain to private sector establishments (each with at least 25 employees) and the public sector.
- (2) The industries are classified based on SSIC 2015.
- (3) Data for the three major sectors may not add up to the total as the latter includes Agriculture, Fishing, Quarrying, Utilities and Sewerage & Waste Management.
- (4) Data are rounded to the nearest 10. Hence, they may not add up due to rounding.

Based on company polls, hiring is expected to remain strong in the coming months, as the proportion of companies indicating that they will increase their manpower in the next three months continued to rise to 69% in June 2022, from 68% in March.

However, wage pressures could ease, as fewer firms (28%) in June 2022 indicated that they were thinking of increasing the wages of their employees, as compared to March (31%).

Chart 4 Hiring and Wage Expectations for the Next Three Months



Source: Manpower Research & Statistics Department, MOM

Note:

Data reflect proportion of companies who indicated yes or maybe to having plans to hire or to raising wages in the next three months.

Explanatory Notes

Employment

Source

Primarily from administrative records. The self-employed component is estimated from the Labour Force Survey.

Coverage

Employment data comprise all persons in employment i.e. employees and the self-employed. However, it excludes men who are serving their 2-year full-time national service liability in the Singapore Armed Forces, Police and Civil Defence Forces.

Data on the number of resident employees are compiled from the Central Provident Fund (CPF) Board's administrative records of active contributors, defined as resident employees who have at least one CPF contribution paid for him/her. A resident employee is a Singapore citizen or Permanent Resident who is employed by an employer under a contract of service or other agreement entered into in Singapore. Every resident employee and his/her employer are required to make monthly contributions to the CPF. The CPF is a compulsory savings scheme that provides workers financial security in old age and helps meet the needs of healthcare, home-ownership, family protection and asset enhancement.

Data on non-residents working in Singapore are compiled from administrative records of non-residents on valid work passes issued by the Ministry of Manpower. Non-residents can work in Singapore only if they have valid work passes issued by the Ministry of Manpower.

The number of self-employed residents is estimated from the Labour Force Survey. The self-employed comprises persons aged 15 years and over who are own account workers, employers or contributing family workers.

Concepts and Definitions

Employment change refers to the change in the number of persons who are in employment, derived by taking the difference in the employment level (i.e. number of employed persons) at the end of the reference period compared with the end of the preceding period. A positive change refers to the additional number of persons who are in employment, while a negative change refers to the decline in number of persons in employment.

Uses and Limitations

Analysis of employment change over time helps in understanding the impact of cyclical and structural changes in the economy on the demand for workers. In particular, the breakdown of employment by industry helps identify sectors where employment is growing or falling.

Conceptually, the change in employment over the reference period is the difference between people entering and exiting employment during the period. Users should not mistake an increase in employment as gross job creation i.e. the increase in employment in expanding establishments only.

Unemployment

Source

Labour Force Survey

Coverage

The survey covers private households in Singapore. It excludes workers living in construction worksites, dormitories and workers' quarters at the workplace and persons commuting from abroad to work in Singapore. Estimates of the total labour force are derived by combining data on residents obtained from the survey with non-resident employment data compiled from administrative records.¹

Concepts and Definitions

Unemployed persons refer to persons aged 15 years and over who did not work but were actively looking and available for work during the reference period. They include persons who were not working but were taking steps to start their own business or taking up a new job after the reference period.

Unemployment rate is defined as the percentage of unemployed persons to the labour force (i.e. employed and unemployed persons) aged 15 years and over.

Long-term unemployed persons refer to persons aged 15 years and over who have been unemployed for 25 weeks or more.

Long-term unemployment rate is defined as the percentage of long-term unemployed persons to the labour force.

Uses and Limitations

The unemployment rate is probably the best-known measure of the labour market. It measures unutilised labour supply and is useful in the study of the economic cycle as it is closely related to economic fluctuations.

Unemployment can have frictional, cyclical and structural elements. As it takes time for job seekers and employers to find a match, there is always a certain level of frictional unemployment due to people changing jobs and from new entrants looking for work for the first time. Unemployment can also be structural e.g. arising from a mismatch between the job seekers and the job openings available. With structural unemployment, even if job vacancies and job seekers coexist in the labour market, they may not be matched over a long period of time. Finally, unemployment can be cyclical. This occurs when there is a general decline in demand for manpower as aggregate demand for goods and services falls in the event of a cyclical downturn. Unlike structural and frictional unemployment where the problem is in matching job openings with job seekers, cyclical unemployment occurs when there are not enough jobs to go around.

Unemployment can vary due to changes in demand or supply of manpower. It can decline if more people succeed in securing employment or when the unemployed persons stop looking for a job and leave the labour force either temporarily (e.g. to take up training) or permanently (e.g. to retire). Conversely, unemployment may rise due to increase in labour supply from new entrants or re-entrants to the labour market. It will also rise if more people quit their jobs to look for alternative employment or if there is an increase in layoffs.

¹ Population figures for each quarter will be finalised in the next quarter. Unemployment data are therefore subject to the latest available population estimates.

Unemployment rates by specific groups, defined e.g. by age and educational attainment are useful in identifying groups of workers most vulnerable to unemployment.

Release Schedule

From July 2020, top-line unemployment rates for overall, residents and citizens for the month will be released on a monthly basis by the first week of the month after next. This availability of top-line unemployment rates on a monthly basis will enable us to detect shifts in the unemployment situation in a more timely manner. The information will be made available on the Ministry of Manpower's statistical portal <https://stats.mom.gov.sg>.

Additional breakdown on unemployment by profile e.g. age, education, will continue to be made available in the Labour Market Reports released at the end of every quarter. This is because variations in the profile of the unemployed are unlikely in the short term.

Data Quality

To ensure data quality, the Department analyses each survey response to identify and resolve inconsistencies that may suggest an inaccurate response. A response rate of at least 85% is achieved for the monthly labour force survey so as to ensure the sample retains its representativeness.

Seasonal Adjustment

The unemployment time series are influenced by seasonality – periodic fluctuations due to recurring calendar-related events such as holidays, and the beginning and end of school terms. Seasonal adjustment removes the influences of these fluctuations and allows users to derive a more meaningful analysis of the trends in a data series, especially for those with strong seasonal patterns.

The seasonally adjusted figures are derived using X-12 ARIMA program which removes seasonal influences in the data series. To ensure a more accurate reflection of seasonally adjusted figures, concurrent seasonal adjustment is also being done and the latest information available will be incorporated.

Revisions

In order to present timely data at the highest frequency, the monthly unemployment figures are subjected to revisions when the latest population figure becomes available or when the seasonal factors are updated with the latest data.

Retrenchments

Source

Labour Market Survey

Coverage

Before 2006, the survey covers private establishments with at least 25 employees. From 2006 onwards, the survey also includes the public sector comprising government ministries, organs of state and statutory boards.

Concepts and Definitions

Retrenchment refers to

- i) termination of permanent employees due to redundancy; and
- ii) early termination of term contract employees due to redundancy.

In the public sector, it includes those who left service under the Special Resignation Scheme².

Uses and Limitations

Data on retrenchment are useful in the analysis of re-structuring or ailing industries.

The number of retrenched persons (flow) should not be confused with persons unemployed (stock). Not all retrenched persons will be unemployed as some will re-enter into employment or decide to leave the labour force. If the persons have not found a new job and are actively looking and available for work, they join the pool of unemployed.

² The Special Resignation Scheme (introduced in April 1988) allows redundant non-deployable Civil Service or Statutory Board employees to leave their organisations with compensation.

OTHER RELEASES



UPCOMING ...

Labour Market Report Second Quarter 2022	12-16 Sep 2022*
Labour Market Advance Release Third Quarter 2022	27-28 Oct 2022*

PAST ...

Labour Market Advance Release Second Quarter 2022	29 Jul 2022
Singapore Yearbook Of Manpower Statistics 2022	30 Jun 2022
Labour Market Report First Quarter 2022	17 Jun 2022
Report On Wage Practices 2021	30 May 2022
Labour Market Advance Release First Quarter 2022	28 Apr 2022
Job Vacancies 2021	1 Apr 2022
Labour Market Report 2021	14 Mar 2022
Labour Market Advance Release 2021	28 Jan 2022
Labour Force In Singapore 2021	28 Jan 2022

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**The actual date of release will be indicated at least a week before the scheduled publication date.*